

## Chapter 8

<b>52-week high</b>	The highest price at which one share was traded over the last year.
<b>52-week low</b>	The lowest price at which one share was traded over the last year.
<b>after-hours trading</b>	Trades that are made after the stock market closes.
<b>arithmetic average (mean)</b>	A measure of central tendency found by calculating the sum of numbers in a data set and then dividing by the number of elements in the data set.
<b>at the market</b>	Instructions to the broker to get the best possible price.
<b>broker fee</b>	A flat fee or commission that a stockbroker charges for trade stocks
<b>candlestick chart</b>	A chart, like a stock chart, but with a top line that indicates the high price, and a low line that indicates the low price for a given period; the rectangular region, known as the real body, is displayed in two different colors; the green candlestick indicates that the closing price is greater than the opening price and the red candlestick indicates the closing price is less than the opening price.
<b>capital</b>	Money that is used to start or expand a business.
<b>cell</b>	The intersection of a column and row in a spreadsheet where data is entered.
<b>close</b>	Also called closing price; the last price at which a stock was traded on a regular trading day.
<b>commission</b>	A percentage of the value of a stock trade.
<b>common stock</b>	A type of stock where the stockholders receive dividends only when the board of directors elects to issue dividends.
<b>corporate bond</b>	A loan to a corporation; the corporation agrees to pay the bondholder back with interest, much like a bank pays a customer with money on deposit.
<b>corporation</b>	A business organization that is owned by one person or group of people, in which owner has limited liability in the business, and therefore, is not personally liable.
<b>crossover</b>	Occurs when one time interval moving average graph crosses over another moving average; this is a possible signal that a

stock trend reversal might be near.

<b>daily money flow</b>	A calculated indicator that is the average of a day's high, low, and close, multiplied by the volume for the day.
<b>directional arrow</b>	Arrows that indicate whether the traded price of a single share is greater than the previous day's closing price (▲) or less than the previous day's closing price (▼).
<b>discount broker</b>	A broker who trades stocks, but does not give investment advice.
<b>dividend</b>	A corporation's profit that is split among shareholders.
<b>dividend income</b>	Money received because a person owns stock in a company and the company paid part of its profit to shareholders.
<b>Dow Jones Industrial Average (DJIA)</b>	A published information system, the Dow follows the daily trading action of 30 large public companies; it is a well-respected average that offers a broad picture of how the market is performing from day to day.
<b>downtick</b>	A tick that indicates the price is lower than the previous trade.
<b>face value</b>	The amount paid when a bond matures.
<b>fast moving average</b>	When a stock chart depicts moving averages for two different intervals, the graph with the shorter time interval is known as the fast moving average; as changes in closing prices occur on a day-to-day basis, the fast moving average will reflect those changes quicker than the slow moving average.
<b>fractional part of a share</b>	When a split creates a situation where less than one share remains.
<b>gross capital gain</b>	The difference between the selling price and the purchase price of a stock when the shares are sold at a greater price than they were purchased.
<b>gross capital loss</b>	The difference between the selling price and the purchase price of a stock when the shares are sold at a lesser price than they were purchased.
<b>growth stock</b>	Stocks bought by investors who want to buy low and sell high.
<b>high</b>	The highest price one share of a particular stock was traded on a particular day.
<b>income stock</b>	Stocks that pay dividends.
<b>lagging indicators</b>	Indicators that use past data. An example is simple moving averages which investors use when they want to identify and

follow a trend in prices.

<b>last</b>	The price per share of the last trade that was made for a particular stock; in the newspaper, this is usually the closing price; online, it is the price of the last trade made for one share of stock.
<b>limit order</b>	Instructions to the broker that name a specific price for a share of stock.
<b>limited liability</b>	Not being able to lose any more than the value of owned shares if a corporation fails or does not make a profit.
<b>low</b>	The lowest price one share of a particular stock was traded on a particular day.
<b>market capitalization or market cap</b>	The total value of all of a company's outstanding shares.
<b>matures</b>	When a bond is due for repayment to the bondholder.
<b>money flow</b>	A type of market analysis known as money flow.
<b>NASDAQ</b>	A stock market called the National Association of Securities Dealers Automated Quotation System.
<b>negative money flow</b>	When stock is purchased on a downtick.
<b>net change</b>	Abbreviated Chg; shows the change between the previous day's closing price and the current day's closing price; it can be expressed as a dollar amount or a percentage; a positive change indicates the current day closed at a greater price than the previous day; a negative change indicates the current day closed at a lesser price than the previous day.
<b>net money flow</b>	A positive flow of money because more investors were willing to pay a price above the market price.
<b>net proceeds</b>	The amount of money made on a stock trade after the brokerage fees are paid.
<b>NYSE</b>	A stock market called the New York Stock Exchange.
<b>odd lot</b>	A group of stocks that is less than 100 shares.
<b>outstanding shares</b>	The total number of all shares issued to investors by a corporation.
<b>partnership</b>	A business that is owned by more than one person; partners are each personally liable for the business.

<b>penny stock</b>	A stock whose value is less than \$5 per share.
<b>personally liable</b>	A business owner who is personally responsible for the debts of the business whether or not there is a profit.
<b>portfolio</b>	A grouping of all the stocks that an investor owns.
<b>positive money flow</b>	When stock is purchased on an uptick.
<b>preferred stock</b>	Preferred stockholders received dividends before common stockholders.
<b>profit</b>	The positive difference obtained when expenses are subtracted from revenue.
<b>public corporation</b>	A corporation where any person can purchase a share of stock in the corporation.
<b>reverse stock split</b>	When the number of outstanding shares is reduced and the market price per share is increased; as the price per share increases, the investor perceives that the stock is worth more.
<b>round lot</b>	A multiple of 100 shares; stocks are usually bought and sold in round lots.
<b>sales in 100s</b>	Groups of 100 shares that were traded within a given day.
<b>shareholders</b>	People who own shares of stocks in a corporation.
<b>shares of stock</b>	Represent a share of ownership in the corporation.
<b>simple moving average (SMA)</b>	A smoothing technique calculated by determining the arithmetic average or mean closing price over a given period of time.
<b>slow moving average</b>	When a stock chart depicts moving averages for two different intervals, the graph with the longer time interval is known as the slow moving average; as changes in closing prices occur on a day-to-day basis, the fast moving average will reflect those changes quicker than the slow moving average will.
<b>smoothing techniques</b>	A statistical tool that allows an investor to reduce the impact of price fluctuations and to focus on patterns and trends; an example is the simple moving average (SMA).
<b>sole proprietorship</b>	A business that is owned by one person.
<b>spreadsheet</b>	An electronic worksheet where data is entered into cells that can

contain numbers, words, or formulas.

<b>stock bar chart</b>	A chart made up of two graphs; the top part shows daily information about the day's high, low, open, and close prices of that particular stock; the bottom part shows the daily volume.
<b>stock chart</b>	Pictorial information on stocks from a day's worth of data to multi-year data trends; most stock charts present historical information about the trading prices and volumes of a particular stock.
<b>stock market</b>	An institution where stocks are bought and sold.
<b>stock split</b>	A corporation changes the number of outstanding shares while at the same time adjusts the price per share so that the market cap remains unchanged.
<b>stock symbol</b>	Same as a ticker symbol; the letter or letters used to identify a corporation on a ticker.
<b>stockbroker</b>	A person who sells shares of stocks to investors and gives investment advice.
<b>ticker</b>	An information transmission machine that has been replaced by electronic scrolling which uses symbols to provide up to date information during the trading day.
<b>ticker symbol</b>	Same as a stock symbol; the letter or letters used to identify a corporation on a ticker.
<b>total value of a trade</b>	A value determined by multiplying the number of shares traded by the trading price, without including any fees.
<b>trade</b>	When a stock is bought or sold.
<b>trades</b>	Transactions on the stock market.
<b>trading price</b>	A price displayed on the ticker, sometimes followed by a @ symbol.
<b>trading volume</b>	The number of shares traded in a single transaction; trading volumes are listed on the ticker; 10K indicates that 10,000 shares traded, 10M indicates that 10,000,000 shares traded, and 10B means that 10,000,000,000 shares traded.
<b>traditional stock split</b>	A split where the value of a share and the number of shares are changed in such a proportional way that the value is decreased as the number of shares increases, while the market cap remains the same.
<b>uptick</b>	A tick that indicates the price is greater than the previous trade.

**volume**

The number of shares traded within a given amount of time, usually a day.

**yield**

The percentage value of the dividend, compared to the current price per share.